WAR RISK INSURANCE.

(T. D. 61, W. R.)

Insurance.

Reinstatement of term insurance, or reinstatement and conversion of term insurance, after separation from the active service.

TREASURY DEPARTMENT,
BUREAU OF WAR RISK INSURANCE,
Washington, D. C., June 30, 1920.

By virtue of the authority conferred in section 13 of the war-risk insurance act the following regulation is issued relative to the payment of premiums and to the reinstatement, and to the reinstatement and conversion of yearly renewable term insurance granted under the provisions of the war-risk insurance act, and applicable after separation from the active military or naval service, for reasons not precluding the continuation of term insurance under section 29 of the war-risk insurance act.

DUE DATE OF PREMIUMS.

1. When any person insured under the provisions of the war-risk insurance act leaves the active military or naval service, the monthly premium which, had he remained in the service, would have been payable on the last day of the calendar month in which he was discharged, will be due and payable on the first day of the calendar month following the date of his discharge, and thereafter monthly premiums shall be due and payable on the first day of each calendar month.

WHAT MONTH PREMIUM PAYS FOR.

The monthly premium so due and payable on the first day of the calendar month shall be deemed to carry such insurance for the then current calendar month.

WHEN INSURANCE LAPSES—GRACE PERIOD.

The premiums due and payable on the first day of any calendar month may, however, be paid thereafter at any time within thirty-one (31) days, including the first day of said month, which shall constitute a grace period for the payment of such premium. During

such grace period the insurance shall remain in force, but the unpaid premiums shall be deducted from any settlement under the insurance on account of any claims arising during such grace period.

PREMIUMS REQUIRED TO REINSTATE TERM INSURANCE.

2. In every case where reinstatement, in whole or in part, of lapsed or canceled term insurance is desired, the applicant shall, during his lifetime, as a condition to reinstatement, make tender of the premium for one month (the grace period) on the amount of term insurance to be reinstated, and also the amount of at least the first month's premium on the term insurance to be reinstated.

PREMIUMS REQUIRED TO REINSTATE TERM INSURANCE AND CONVERT SAME.

In cases where the applicant desires to convert his lapsed or canceled term insurance, he shall during his lifetime make tender of the premium for one month (the grace period) on the amount of term insurance to be reinstated and converted, and also of the first premium on the converted insurance.

PAYMENT OF EARNED PREMIUMS A CONDITION TO REINSTATEMENT OR CONVERSION.

3. As a further condition to reinstatement of term insurance or to the reinstatement and conversion of term insurance, the applicant shall be required to pay all unpaid premiums earned because of protection given him during the period of his active service and due at the time of his discharge or resignation: *Provided*, That where payment of such earned premiums is not demanded by the bureau prior to the time of reinstatement or of conversion, the amount of such premiums remaining unpaid shall be regarded as a claim against the insurance reinstated or converted and, unless otherwise paid, shall be deducted from the proceeds of such insurance.

INSURANCE LAPSED PRIOR TO JULY 1, 1920.

4. Term insurance which has lapsed or has been canceled before July 1, 1920, may be reinstated or reinstated and converted, by the applicant, during his lifetime, by making tender of the premiums as required in paragraphs 2 and 3 hereof, and filing with the Bureau of War Risk Insurance an application for reinstatement signed by him and under the following conditions:

(*a*) Within eighteen months succeeding the month of the discharge or resignation of the applicant, but prior to January 1, 1921, provided that the applicant is in as good health as at the date of discharge or resignation, or at the expiration of the grace period, which-

ever is the later date, and so states in his application; and on and after January 1, 1921, and within eighteen months succeeding the month of discharge or resignation of the applicant, upon evidence of the insurability of the applicant, satisfactory to the Director of the Bureau of War Risk Insurance, provided that the applicant is in good health and shall forward for the consideration of the Director in determining such insurability a statement signed by him that he is in good health, and also a report of a full medical examination, made at the applicant's expense, by a reputable physician licensed to practice medicine.

(*b*) At any time prior to July 1, 1921, where (1) the applicant could have reinstated under the provisions of clause (*a*) but did not so reinstate, or (2) where the eighteen months succeeding the month of discharge or resignation of the applicant had elapsed prior to the effective date of this Treasury Decision, July 1, 1920, or (3) where the applicant for any other reason can not reinstate under the provisions of clause (*a*), upon evidence of the insurability of the applicant, satisfactory to the Director of the Bureau of War Risk Insurance, provided that the applicant is in good health, and shall forward for the consideration of the Director in determining such insurability a statement signed by him that he is in good health, and also a report of a full medical examination, made at the applicant's expense, by a reputable physician licensed to practice medicine.

INSURANCE LAPSED ON OR AFTER JULY 1, 1920.

5. Where reinstatement can not be had in accordance with the provisions of paragraph 4 hereof, term insurance, which has lapsed or has been canceled on or after July 1, 1920, may be reinstated, or reinstated and converted, by the applicant during his lifetime (but not later than five years after the date of the termination of the war as declared by proclamation of the President of the United States), by making tender of the premiums as required in paragraphs 2 and 3 hereof, and filing with the Bureau of War Risk Insurance an application for reinstatement signed by him, and also upon evidence of the insurability of the applicant satisfactory to the Director of the Bureau of War Risk Insurance, and under the following conditions:

(*a*) Within three calendar months, including the calendar month for which the unpaid premium was due, provided that the applicant is in good health and so states in his written application.

(*b*) After the expiration of the period mentioned in clause (*a*) and within six calendar months, including the month for which the unpaid premium was due, provided that the applicant is in good health at the time of application and so stated in his application, and further provided that such application is substantiated by a short medi-

cal certificate, made at the applicant's expense, by a reputable physician licensed to practice medicine.

(*c*) After the expiration of the period mentioned in clause (*b*) and within eighteen months, including the calendar month for which the unpaid premium was due, provided that the applicant is in good health at the time of application and so states in his application, and provided further that such application is substantiated by a report of a full medical examination, made at the applicant's expense, by a reputable physician licensed to practice medicine.

FORMS.

6. The short medical certificate and the full examination shall be on such forms as may be required by the director.

EFFECTIVE DATE OF REINSTATEMENT, OR REINSTATEMENT AND CONVERSION.

7. The effective date of term insurance reinstated, or reinstated and converted, shall be the first day of the month in which the requirements for reinstatement, or reinstatement and conversion, have been complied with, unless the applicant requests the bureau in writing that the effective date shall be the first day of the following month.

8. This regulation shall become effective on July 1, 1920. T. D. 47 W. R. and T. D. 50 W. R. are hereby revoked as of July 1, 1920. All other regulations in conflict with this regulation are modified accordingly.

R. G. Cholmeley-Jones,
Director.

Approved June 30, 1920:
D. F. Houston,
Secretary of the Treasury.

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